

HOUSING & COMMUNITY DEVELOPMENT COMMITTEE MEETING
December 13, 2012
5th Floor Conference Room
MINUTES

Committee Members Present: Jan Davis, Gordon Smith, Chris Pelly

Welcome and Introductions

- ? Councilman Jan Davis opened the meeting at 8:33 a.m.
- ? Randy Stallings will be leaving the Community Development department in January. Davis thanked Randy for his work.

1. Minutes

The meeting minutes from November 8, 2012 were approved.

2. Updates

- a. Housing Trust Fund Update – Randy Stallings reported on the financial status of the fund. The current cash balance \$1,111,623; the pending disbursements for approved loans is \$755,335; the current amount available to lend is \$356,287.89; and the projected amount available to lend(including anticipated income to the fund) is \$436,891.
- b. Mountain Housing Opportunities will begin construction soon on the Residences at Glen Rock. The Eagle Market Place project will begin in the spring.
- c. The defendant in the Villas case has indicated they will move forward to the Appeals Court. Staff anticipates that it will take six to twelve months to make it to trial.
- d. East of the Riverway Update – Jeff Staudinger gave a report on the East of the Riverway process. The Greenways final scope and contract amount is in its final negotiations, and will be on Council's January agenda. Phase II of the RADTIP is out to bid. The transformational development project around the 12 Bones / PSNC area will go out for procurement soon. Fifteen diverse stakeholders are involved in the first scenario planning group, facilitated by NEMAC. Opportunities for future discussion and collaboration around specific activities are expected.

3. New Business

- a. Ice House – Davis gave a report on the future of the Ice House site.
 - i. Terry Meek will be presenting a concept for rehabilitating the existing building to create a Natural History museum. Options for the rehabilitation or demolition of the Ice House building will be reviewed. The AARRC will make recommendations on this issue in the following weeks.
 - ii. A short term plan will be put in place to secure the building until City Council can hear the options for redevelopment on the 8th. Smith stated that financial support may not be available for the preservation of the structure; however, due to the historic nature of the building it would be a good addition to the area. A cost breakdown of the security needs should be obtained.
- b. Outside Agency Program
 - i. The Committee agreed that funding for the Economic Development Coalition and the Asheville Buncombe Regional Sports Commission should be placed in the

Economic Development budget, not Outside Agency. The HCD Committee will need to reframe the budget to account for this change.

- ii. The Committee requested that staff provide an analysis of the program, including looking at how the funded programs support the City Strategic Operating Plan. Members indicated they would like to see more collaboration and greater economy of scale.
 - iii. Members will review information again at their February meeting.
- c. CDBG and HOME programs – Jeff Staudinger gave an update on the application process. Because no federal budget has been passed, the HCD Committee may have to make funding recommendations without knowing what the budget will be. Decreasing funding impacts the City's administrative and management capacity, which should be considered as a factor in funding decisions.
- d. Affordable Housing – Lindsey Simerly, Chair of the Affordable Housing Advisory Committee, presented the Committee's prioritized recommendations for the year. 500 new affordable housing units a year are needed to bring the area out of the housing crisis. Currently we are averaging 60 to 100 units per year. In summary, their recommendations are:
- i. Increase allocation of Housing Trust Fund (HTF) to .01 of every \$100 of City Property Tax Value.
 - ii. Allow for and/or incentivize higher housing density
 - iii. Improve Housing Safety
 - iv. Establish mandatory Inclusionary Zoning requiring all new housing development to be 20% affordable or pay a fee in lieu of (to HTF)
 - v. Temporarily stop the permanent closure of alleys until the affordable housing crisis is over

Davis stated that developers have indicated an unwillingness to build in Asheville due to the difficulty of working here. A list of the developers that have expressed objections to building in Asheville will be provided to Judy Daniel. Judy Daniel and Martha McGlohon updated the Committee on the status of inclusionary zoning; mandatory inclusionary zoning is not specifically authorized by statute, although it has not been tested in the NC court system. The Committee requested that staff evaluate the options for changing open space and density policies, and research mandatory inclusionary zoning practices, and report back to the HCD Committee.

Martha McGlohon explained that under the Federal Fair Housing law, gender is not a recognized form of discrimination. NC law does not recognize gender discrimination in its Fair Housing program. The City of Asheville can choose to include gender in its Fair Housing practices; however, it is unclear how enforceable that would be. Under state law, rentals must have central heating that is effective as of October 1; however, Inspectors are able to enforce the heating requirement earlier if necessary.

- e. Housing Trust Fund Loan Applications- Randy Stallings
- i. Two applications for funding have been received. \$436,800 is required to fully fund both requests. The two requests include Beaucatcher Properties and Givens Estate at Chapel Park. Stalling presented information about both projects.

- ii. Smith recommended approval of \$150,000 to Beaucatcher Properties, LLC for the development of Eight (8) single-family rental units on Marigold St and Chapel Park Place; conditioned on obtaining site control at Chapel Park Place; with \$75,000 to be repaid as a fully amortizing loan at 4.5% interest for 30 years, and \$75,000 to be repaid in annual interest-only payments at 2.00% interest with principal deferred for a term of 20 years. Unanimously approved.
 - iii. Smith recommend approval of \$270,000 to Givens Estates, Inc. for the development of 120 multifamily rental units for seniors on Gerber Road, amortized at 2.00% interest for 30 years. Unanimously approved.
- f. Asheville Buncombe Community Relations Council Fair Housing grant request-Jeff Staudinger.
 - i. ABCRC requests \$15,000 in Fair Housing Assistance Program (FHAP) funds to continue its program of fair housing outreach, training and service. \$35,000 of Outside Agency funds and \$15,000 of FHAP funds have been granted to ABCRC this year.
 - ii. A motion was made by Pelly to recommend approval of the request from ABCRC for \$15,000 in FHAP funding. The request was approved unanimously.
- g. Analysis of Impediments to Fair Housing- Jeff Staudinger provided the following update.
 - i. The last analysis was completed in 2006 and is required every five years by the U.S. Department of Housing for the use of CDBG funds. The current analysis was done in conjunction with the Land of Sky regional Council, as an element of the HUD regional Sustainable Communities Planning grant. The Analysis has been accepted by the Home Consortium. The report does not commit the City of Asheville to any specific actions, however, the City reports in its Annual Action plan each year how it will address any identified impediments.
 - ii. A motion was made by Smith to accept the Analysis. Unanimously approved.

4. Public Comment -

- i. Dee Williams from the Metropolitan Business and Economic Development Center provided information about the organizations activities in the community, the needs of the African American community, and their experience with the CDBG funding process.

5. Next meeting – January 10 at 8:30 AM, 5th floor large conference room.